

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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E-01749A
Graham County Electric Cooperative, Inc.
P.O. Drawer B
Pima AZ 85543-0000

RECEIVED

MAR 17 2005

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

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PROCESSED BY:

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Graham County Electric Cooperative, Inc.</u>		
Mailing Address <u>PO Drawer B</u>		
<u>Pima</u> (City)	<u>Arizona</u> (State)	<u>85543</u> (Zip)
<u>(928) 485-2451</u> Telephone No. (Include Area Code)	<u>(928) 485-9491</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
Email Address <u>ruszb@gce.coop</u>		
Local Office Mailing Address <u>PO Drawer B</u>		
<u>Pima</u> (City)	<u>Arizona</u> (State)	<u>85543</u> (Zip)
<u>(928) 485-2451</u> Local Office Telephone No. (Include Area Code)	<u>(928) 485-9491</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
Email Address <u>ruszb@gce.coop</u>		

MANAGEMENT INFORMATION

Management Contact:		<u>Russ Barney</u> (Name)	<u>Finance Manager</u> (Title)
<u>PO Drawer B</u> (Street)	<u>Pima</u> (City)	<u>Arizona</u> (State)	<u>85543</u> (Zip)
<u></u> Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)	
Email Address <u>ruszb@gce.coop</u>			
On Site Manager:		<u>Steve Lines</u> (Name)	
<u>PO Drawer B</u> (Street)	<u>Pima</u> (City)	<u>Arizona</u> (State)	<u>85543</u> (Zip)
<u>(928) 485-2451</u> Telephone No. (Include Area Code)	<u>(928) 485-9491</u> Fax No. (Include Area Code)	<u>(928) 651-6024</u> Pager/Cell No. (Include Area Code)	
Email Address <u>slines@gce.coop</u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Leven B. Ferrin
(Name)
1536 Cherokee Lane Safford Arizona 85546
(Street) (City) (State) (Zip)
(928) 428-1602
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Michael M. Grant
(Name)
2575 East Camelback Road Phoenix Arizona 85016-9225
(Street) (City) (State) (Zip)
(602) 530-8000 (602) 530-8500
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input checked="" type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

☒ **Electric**

- ☐ Investor Owned Electric
- ☒ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
 - ☐ Transmission Service Provider
 - ☐ Meter Service Provider
 - ☐ Meter Reading Service Provider
 - ☐ Billing and Collection
 - ☐ Ancillary Services
 - ☐ Generation Provider
 - ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☐ **Gas**

- ☐ Natural Gas
- ☐ Propane

☐ **Other (Specify)** _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

Total residential access lines	_____
Total business access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

STATISTICAL INFORMATION (CONT'D)

ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers	
Residential	6,516
Commercial	715
Industrial	
Public street and highway lighting	3
Irrigation	472
Resale	
Total kilowatt-hours sold	kWh
Residential	57,718,240
Commercial	44,759,765
Industrial	
Public street and highway lighting	247,140
Irrigation	18,468,298
Resale	
Maximum Peak Load	34 MW

GAS UTILITIES ONLY

Total number of customers	
Residential	
Commercial	
Industrial	
Irrigation	
Resale	
Total therms sold	therms
Residential	
Commercial	
Industrial	
Irrigation	
Resale	

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED

MAR 17 2005

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Graham
NAME (OWNER OR OFFICIAL) TITLE	Steve M. Lines General Manager
COMPANY NAME	Graham County Electric Cooperative, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 12,484,139

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 753,805
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Steve M. Lines
SIGNATURE OF OWNER OR OFFICIAL
(928) 485-2451
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10th DAY OF

COUNTY NAME	Graham
MONTH	MARCH
YEAR	2005

(SEAL)



OFFICIAL SEAL
SUSAN ROMNEY
Notary Public - State of Arizona
GRAHAM COUNTY

MY COMMISSION EXPIRES Aug 2, 2008

Susan Romney
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

MAR 17 2005

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Graham	
NAME (OWNER OR OFFICIAL) Steve M. Lines	TITLE General Manager
COMPANY NAME Graham County Electric Cooperative, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 6,125,419

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 378,538
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X

Steve M. Lines
SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10th

DAY OF

(SEAL)

MY COMMISSION EXPIRES



OFFICIAL SEAL
SUSAN ROMNEY
Notary Public - State of Arizona
GRAHAM COUNTY
My Comm. Expires Aug. 2, 2008

NOTARY PUBLIC NAME <u>Susan Romney</u>	
COUNTY NAME Graham	
MONTH <u>MARCH</u>	20 <u>05</u>

X

Susan Romney
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION AZ017	
		YEAR ENDING 12/31/2004	
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	24,461,189	28. Memberships	27,810
2. Construction Work in Progress	1,185,890	29. Patronage Capital	7,628,166
3. Total Utility Plant (1+2)	25,647,079	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	8,890,373	31. Operating Margins - Current Year	94,938
5. Net Utility Plant (3-4)	16,756,706	32. Non-Operating Margins	118,370
6. Nonutility Property - Net	0	33. Other Margins & Equities	5,147
7. Investment in Subsidiary Companies	1,413,233	34. Total Margins & Equities (28 thru 33)	7,874,431
8. Invest. in Assoc. Org. - Patronage Capital	424,394	35. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	(Payments-Unapplied (\$ _____))	
10. Invest in Assoc. Org. - Other - Nongeneral Funds	0	36. Long-Term Debt - Other (Net)	14,335,348
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	
12. Other Investments	41,247	37. Total Long-Term Debt (35+36)	14,335,348
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	1,878,874	39. Accumulated Operating Provisions	0
15. Cash-General Funds	3,556,754	40. Total Other Noncurrent Liabilities (38+39)	0
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	168,772
17. Special Deposits	3,124	42. Accounts Payable	790,300
18. Temporary Investments	0	43. Consumers Deposits	113,832
19. Notes Receivable - Net	190,574	44. Current Maturities Long-Term Debt	0
20. Accounts Receivable - Net Sales of Energy	896,321	45. Current Maturities Long-Term Debt-Economic Dev.	0
21. Accounts Receivable - Net Other		46. Current Maturities Capital Leases	0
22. Materials & Supplies - Electric and Other	308,403	47. Other Current & Accrued Liabilities	734,611
23. Prepayments	43,669	48. Total Current & Accrued Liabilities (41 thru 47)	1,807,515
24. Other Current & Accrued Assets	24,759	49. Deferred Credits	0
25. Total Current & Accrued Assets (15 thru 24)		50. Total Liabilities & Other Credits (34+37+40+48+49)	
	5,023,604		24,017,294
26. Deferred Debits	358,110		
27. Total Assets & Other Debits (5+14+25+26)	24,017,294		
PART D. NOTES TO FINANCIAL STATEMENTS			
1. CASH RECEIVED AS A RESULT OF RETIREMENT OF G&T AND OTHER CAPITAL CREDITS		2. INCOME TAX PAID	
TWO PREVIOUS YEARS	55,719	TWO PREVIOUS YEARS	0
PREVIOUS YEAR	39,416	PREVIOUS YEAR	0
CURRENT YEAR	42,671	CURRENT YEAR	0
3. AMOUNT OF GAIN FROM PREPAYMENT OF RUS NOTES			
CURRENT YEAR	0		
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

**CFC
FINANCIAL AND STATISTICAL REPORT**

BORROWER DESIGNATION

AZ017

YEAR ENDING

12/31/2004

PART E. CHANGES IN UTILITY PLANT

ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE OF YEAR (e)	DEPRECIATION RATE % (f)
1. Land and Land Rights (360)	47,810	0	0	0	47,810	
2. Structures and Improvements (361)	0	0	0	0	0	
3. Station Equipment (362)	2,965,054	0	0	0	2,965,054	2.94%
4. Storage Battery Equipment	0	0	0	0	0	
5. Poles, Towers, and Fixtures (364)	5,221,091	706,661	49,781	0	5,877,971	2.94%
6. Overhead Conductors and Devices (365)	2,751,424	344,042	72,123	0	3,023,343	2.94%
7. Underground Conduit (366)	522,344		0	0	522,344	2.94%
8. Underground Conductors and Devices (367)	526,537	1,978	0	0	528,515	2.94%
9. Line Transformers (368)	4,329,030	180,122	11,724	0	4,497,428	2.94%
10. Services (369)	1,033,630	29,024	297	0	1,062,357	2.94%
11. Meters (370)	923,531	27,031		0	950,562	2.94%
12. Installation on Consumer's Premises (371)	188,606	0	0	0	188,606	2.94%
13. Leased Property on Consumer's Premises (372)	0	0	0	0	0	
14. Street Lighting (373)	0	0	0	0	0	
15. SUBTOTAL: Distribution (1 thru 14)	18,509,057	1,288,858	133,925	0	19,663,990	
16. Land and Land Rights (389)						
17. Structures and Improvements (390)						
18. Office Furniture & Equipment (391)	260,983	9,252	0	0	270,235	10.00%
19. Transportation Equipment (392)	1,561,970	154,247	0	0	1,716,217	20.00%
20. Stores, Tools, Shop, Garage, and Laboratory Equipment (393, 394, 395)	195,890	1,878	0	0	197,768	4.80%
21. Power-Operated Equipment (396)	118,285	70,120	0	0	188,405	6.50%
22. Communication Equipment (397)	168,357	5,210	0	0	173,567	6.50%
23. Miscellaneous Equipment (398)	3,152	0	0	0	3,152	6.50%
24. Other Tangible Property (399)	0	0	0	0	0	
25. SUBTOTAL: General Plant (18 thru 24)	2,308,637	240,707	0	0	2,549,344	
26. Headquarters Plant	0	0	0	0	0	
27. Intangibles (301, 302, 303)	3,060	0	0	0	3,060	
28. Land and Land Rights, Roads and Trails (350, 359)	7,254	0	0	0	7,254	
29. Structures and Improvements (352)	0	0	0	0	0	
30. Station Equipment (353)	144,717	0	0	0	144,717	2.75%
31. Towers and Fixtures and Poles and Fixtures (354, 355)	1,097,420	37,640	6,578	0	1,128,482	2.75%
32. Overhead, Conductors, and Devices (356)	555,834	61,373	9,921	0	607,286	2.75%
33. Underground Conduit (357)	0	0	0	0	0	
34. Underground Conductor & Devices (358)	0	0	0	0	0	
35. SUBTOTAL: Transmission Plant (28 thru 34)	1,805,225	99,013	16,499	0	1,887,739	
36. Production Plant - Steam (310-316)	0	0	0	0	0	
37. Production Plant - Nuclear (320-325)	0	0	0	0	0	
38. Production Plant - Hydro (330-336)	0	0	0	0	0	
39. Production Plant - Other (340-346)	0	0	0	0	0	
40. All Other Utility Plant (102, 104-106, 114, 118)	0	0	0	0	0	
41. SUBTOTAL: (15+25+26+27+35 thru 40)	22,625,979	1,628,578	150,424	0	24,104,133	
42. Construction Work in Progress (107)	160,420	1,025,470			1,185,890	
43. TOTAL UTILITY PLANT (41+42)	22,786,399	2,654,048	150,424	0	25,290,023	

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION AZ017					
		YEAR ENDING 12/31/2004					
PART F. ANALYSIS OF ACCUMULATED PROVISION FOR DEPRECIATION - TOTAL ELECTIC PLANT							
	ITEM	DISTRIBUTION PLANT (a)	GENERAL PLANT (b)	TRANSMISSION PLANT (c)	OTHER PLANT (d)		
1.	Balance Beginning of Year	6,081,533	1,684,319	530,138	0		
2.	Additions - Depreciation Accruals Charged to:						
	a. Depreciation Expense	549,519	94,030	49,633	0		
	b. Clearing Accounts and Others	0	159,754	0	0		
	c. Subtotal (a+b)	549,519	253,784	49,633	0		
3.	Less - Plant Retirements:						
	a. Plant Retired	133,925	0	16,499	0		
	b. Removal Costs	99,392	0	8,737	0		
	c. Subtotal (a+b)	233,317	0	25,236	0		
4.	Plus Salvaged Materials	0	0	0	0		
5.	TOTAL (2c - 3c +4)	316,202	253,784	24,397	0		
6.	Other Adjustments - Debit or Credit	0	0	0	0		
7.	Balance End of Year (1+5+6)	6,397,735	1,938,103	554,535	0		
<p align="center">AS OF 12/31/98 CFC NO LONGER REQUIRES SECTIONS "G", "N" AND "P" DATA</p> <p align="center">Those sections refer to data on, "Materials and Supplies" (G), "Annual Meeting and Board Data" (N), and Conservation Data" (P).</p>							
PART H. SERVICE INTERRUPTIONS							
	ITEM	Avg. Hours per Consumer by Cause Power Supplier (a)	Avg. Hours per Consumer by Cause Extreme Storm (b)	Avg. Hours per Consumer by Cause Prearranged (c)	Avg. Hours per Consumer by Cause All Other (d)	TOTAL (e)	
1.	Present Year	0.00	0.96	0.00	2.05	3.01	
2.	Five-Year Average	0.33	1.08	0.00	1.71	3.12	
PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS							
1.	Number of Full Time Employees	24	4. Payroll - Expensed	1,025,520			
2.	Employee - Hours Worked - Regular Time	50,260	5. Payroll - Capitalized	158,270			
3.	Employee - Hours Worked - Overtime	3,732	6. Payroll - Other	81,095			
PART J. PATRONAGE CAPITAL			PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE				
	ITEM	THIS YEAR (a)	CUMULATIVE (b)				
1.	General Retirement	0	749,541	1. Amount Due Over 60 Days:			
2.	Special Retirements	0	0	64,079			
3.	Total Retirements (1+2)	0	749,541	2. Amount Written Off During Year:			
4.	Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	0		18,608			
5.	Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	42,671					
6.	Total Cash Received (4+5)	42,671					
PART L. KWH PURCHASED AND TOTAL COST							
	NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	KWH PURCHASED (c)	TOTAL COST (d)	AVERAGE COST PER KWH (cents) (e)	INCLUDED IN TOTAL COST FUEL COST ADJUSTMENT (f)	WHEELING & OTHER CHARGES (or Credits) (g)
1.	Arizona Electric Power Cooperative		132,261,545	7,151,150	5.41	366,966	0
2.			0	0	0.00	0	0
3.			0	0	0.00	0	0
4.			0	0	0.00	0	0
	TOTALS		132,261,545	7,151,150	5.41	366,966	0

CFC FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION		
	AZ017		
	YEAR ENDING 12/31/2004		

PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)

LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")			
	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1.	NONE		\$0
2.			
TOTAL			\$0
** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an initial cost in excess of \$250,000.			

PART O. LONG-TERM DEBT SERVICE REQUIREMENTS

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR			CFC USE ONLY (e)
			INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1.	National Rural Utilities Cooperative Finance Corporation	14,230,328	701,199	127,173	828,372	
2.	NRECA Past Service Pension Costs	208,772	15,465	12,702	28,167	
3.	Accumulated Provision for Post Retirement Benefits	65,020	0	16,603	16,603	
4.	Less: Current Portion of Long-Term Debt	(168,772)	0	0	0	
5.		0	0	0	0	
6.		0	0	0	0	
7.		0	0	0	0	
8.		0	0	0	0	
9.		0	0	0	0	
TOTAL (Sum of 1 thru 9)		\$14,335,348	\$716,664	\$156,478	\$873,142	

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION AZ017					
		YEAR ENDING 12/31/2004					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY (a)	FEBRUARY (b)	MARCH (c)	APRIL (d)	MAY (e)	JUNE (f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	6,425	6,460	6,431	6,486	6,469	6,491
	b. KWH Sold	5,162,829	3,952,506	3,525,632	4,008,648	3,805,002	5,173,950
	c. Revenue	509,371	403,717	366,642	409,048	391,069	510,455
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	493	529	704	764	774	768
	b. KWH Sold	153,277	133,360	1,743,221	2,899,274	1,029,768	2,149,198
	c. Revenue	14,041	23,284	170,133	275,592	108,272	208,898
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	694	692	695	698	699	698
	b. KWH Sold	1,981,076	1,641,246	1,558,639	1,982,723	1,813,710	2,120,921
	c. Revenue	183,668	153,929	146,871	183,800	169,007	195,733
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	10	10	10	10	10	10
	b. KWH Sold	2,121,480	1,370,720	1,324,960	1,665,680	1,443,880	1,552,040
	c. Revenue	171,776	111,175	107,480	134,984	117,100	125,811
6. Public Street & Highway Lighting	a. No. Consumers Served	3	3	3	3	3	3
	b. KWH Sold	20,595	20,595	20,595	20,595	20,595	20,595
	c. Revenue	1,529	1,529	1,529	1,529	1,529	1,529
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		7,625	7,694	7,843	7,961	7,955	7,970
11. TOTAL KWH Sold (lines 1b thru 9b)		9,439,257	7,118,427	8,173,047	10,576,920	8,112,955	11,016,704
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		880,385	693,634	792,655	1,004,953	786,977	1,042,426
13. Other Electric Revenue		16,465	0	0	0	0	0
14. KWH - Own Use		9,255	8,464	9,133	10,053	12,349	20,179
15. TOTAL KWH Purchased		8,691,073	8,547,691	11,038,372	8,469,838	11,405,612	14,919,156
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		464,264	464,956	562,512	455,569	632,548	784,134
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered) Non-coincident <u> X </u> Coincident <u> </u>		16,247	17,932	18,065	18,567	24,954	29,730

CFC FINANCIAL AND STATISTICAL REPORT					BORROWER DESIGNATION AZ017			
					YEAR ENDING 12/31/2004			
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	TOTAL (Column a thru l)
1	a.	6,528	6,505	6,533	6,521	6,535	6,516	6,471
	b.	7,428,491	6,130,598	5,372,281	4,859,612	3,546,839	4,751,852	57,718,240
	c.	707,390	594,023	528,117	483,585	369,079	474,385	5,746,881
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	773	777	836	765	490	472	483
	b.	3,981,287	2,747,275	2,440,264	936,692	171,740	82,942	18,468,298
	c.	372,243	262,750	235,212	98,230	25,997	18,213	1,812,865
4	a.	700	700	703	698	702	705	700
	b.	2,855,690	2,243,884	2,102,932	2,206,571	1,677,356	1,912,837	24,097,585
	c.	259,768	206,481	194,292	203,211	157,253	177,753	2,231,766
5	a.	10	10	10	10	10	10	10
	b.	2,007,640	1,613,840	1,589,160	1,725,380	1,894,580	2,352,820	20,662,180
	c.	162,586	130,799	128,807	139,803	153,460	190,450	1,674,231
6	a.	3	3	3	3	3	3	3
	b.	20,595	20,595	20,595	20,595	20,595	20,595	247,140
	c.	1,529	1,529	1,529	1,529	1,529	1,529	18,348
7	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		8,014	7,995	8,085	7,997	7,740	7,706	7,666
11		16,293,703	12,756,192	11,525,232	9,748,850	7,311,110	9,121,046	121,193,443
12		1,503,516	1,195,582	1,087,957	926,358	707,318	862,330	11,484,091
13		0	0	0	0	0	0	16,465
14		25,561	22,929	20,743	9,485	8,015	8,550	164,716
15		16,242,780	14,574,343	11,636,306	8,697,872	8,433,463	9,605,039	132,261,545
16		0	0	0	0	0	0	0
17		855,878	805,477	671,439	500,149	470,852	483,372	7,151,150
18		0	0	0	0	0	0	0
19		33,870	33,290	28,250	19,417	17,592	17,733	33,870

CFC INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION (All investments refer to your most recent CFC Loan Agreement)		BORROWER DESIGNATION AZ017	
Submit an electronic copy and a signed hard copy to CFC. Round all amounts to the nearest dollar.		BORROWER NAME Graham County Electric Cooperative, Inc.	
		MONTH ENDING 12/31/2004	
7a - PART 1 - INVESTMENTS			
DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (d)
1. NON-UTILITY PROPERTY (NET)			
1 NONE	0	0	0
2	0	0	0
3	0	0	0
4	0	0	0
Subtotal (Line 1 thru 4)	0	0	0
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS			
5 Arizona Electric Power Cooperative, Inc.	1,408,128	0	0
6 Arizona Electric Power Cooperative, Inc.	5	0	0
7 Grand Canyon State Electric Cooperative	100	0	0
8 Graham County Utilities, Inc.	5,000	0	0
Subtotal (Line 5 thru 8)	1,413,233	0	0
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS			
9	0	0	0
10	0	0	0
11	0	0	0
12	0	0	0
Subtotal (Line 9 thru 12)	0	0	0
4. OTHER INVESTMENTS			
13 Investment in National Rural Utilities Cooperative Finance Corporation	0	300,227	10,587
14 National Rural Utilities Cooperative Finance Corporation Membership	0	1,000	0
15 National Rural Utilities Cooperative Finance Corporation Patronage Capital	0	123,167	42,671
16 Investment in Federated Insurance	0	41,247	0
Subtotal (Line 13 thru 16)	0	465,641	53,258
5. SPECIAL FUNDS			
17	0	0	0
18	0	0	0
19	0	0	0
20	0	0	0
Subtotal (Line 17 thru 20)	0	0	0
6. CASH - GENERAL			
21 Bank One of Arizona	3,454,954	100,000	8,222
22 Change Fund	0	1,800	0
23	0	0	0
24	0	0	0
Subtotal (Line 21 thru 24)	3,454,954	101,800	8,222
7. SPECIAL DEPOSITS			
25 State Compensation Fund Deposit	3,124	0	0
26	0	0	0
27	0	0	0
28	0	0	0
Subtotal (Line 25 thru 28)	3,124	0	0
8. TEMPORARY INVESTMENTS			
29	0	0	0
30	0	0	0
31	0	0	0
32	0	0	0
Subtotal (Line 29 thru 32)	0	0	0
9. ACCOUNT & NOTES RECEIVABLE - NET			
33 Note Receivable - Graham County Utilities, Inc.	190,574	0	0
34 Trade Accounts Receivable	896,321	0	0
35	0	0	0
36	0	0	0
Subtotal (Line 33 thru 36)	1,086,895	0	0
10. COMMITMENTS TO INVEST WITH 12 MONTHS BUT NOT ACTUALLY PURCHASED			
37	0	0	0
38	0	0	0
39	0	0	0
40	0	0	0
Subtotal (Line 37 thru 40)	0	0	0
Total	5,958,206	567,441	61,480

CFC INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION (All investments refer to your most recent CFC Loan Agreement)		BORROWER DESIGNATION AZ017 BORROWER NAME Graham County Electric Cooperative, Inc.			
Submit an electronic copy and a signed hard copy to CFC. Round all amounts to the nearest dollar.		MONTH ENDING 12/31/2004			
7a - PART II. LOAN GUARANTEES					
Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount (\$) (c)	Performance Guarantee Exposure or Loan Balance (\$) (d)	Available Loan (Covered by Guarantees) (e)
1	CFC - Graham County Utilities, Inc.	11/1/2014	2,243,711	0	1,432,519
2	CFC - Graham County Utilities, Inc.	6/30/2026	550,000	0	490,692
3	CFC - Graham County Utilities, Inc.	9/30/2031	400,000	0	396,083
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)					
7b - PART III. LOANS					
Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Available Loan (e)
1	CFC - Graham County Utilities, Inc.	1/15/2010	500,000	190,574	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)					
7c - PART IV. TOTAL INVESTMENT AND LOAN GUARANTEES					
1 TOTAL (Part I, Line 70b + Part II, Line 14d + Line 14e + Part III, Line 22d + Line 22e)					
2 LARGER OF (a) OR (b)					
a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)					
b. 50 percent of Total Equity (CFC Form 7, Part C, Line 34)					